

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 2
FOR THE REGULAR MEETING OF
TUESDAY, SEPTEMBER 28, 2004 AT 10:00 A.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

ORDINANCE TO BE INTRODUCED:

ITEM-S500: Adding and Amending Sections to the San Diego Municipal Code All Relating to the City’s Financial Reporting and Disclosure.

(See City Attorney Report No. 2004-19, City Manager Report CMR-04-213, and memorandum from the City Attorney dated 9/24/2004.)

CITY ATTORNEY’S RECOMMENDATION:

Introduce the following ordinance:

(O-2005-37)

Introduction of an Ordinance amending the San Diego Municipal Code by amending Chapter 2, Article 6 by adding New Division 17, titled “Financial Reporting Oversight Board” and adding New Sections 26.1701, 26.1702, 26.1703, 26.1704, 26.1705, and 26.1706; amending Chapter 2, Article 2, Division 3 by adding New Sections 22.0302, 22.0303, and 22.0304; amending Chapter 2, Article 2 by adding New Division 41, titled “Securities Disclosure” and adding New Sections 22.4101, 22.4102, 22.4103, 22.4104, 22.4105, 22.4106, 22.4107, 22.4108, 22.4109, 22.4110, 22.4111, and 22.4112; amending Chapter 2, Article 4, Division 9 by amending Section 24.0911; and amending Chapter 2, Article 2, Division 7, by adding New Sections 22.0708 and 22.0709; all relating to the City’s Financial Reporting and Disclosure.

SUPPORTING INFORMATION:

On February 11, 2004, the City Council commissioned the law firm of Vinson & Elkins to review the City's disclosure practices from January 1996 through February 2004 and to investigate whether the City has failed to meet disclosure obligations concerning its funding of the San Diego City Employees Retirement System.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

ORDINANCE TO BE INTRODUCED: (Continued)

ITEM-S500: (Continued)

SUPPORTING INFORMATION: (Continued)

On September 16, 2004, a report was issued by Vinson & Elkins representing the culmination of a six month investigation. The Vinson & Elkins report describes disclosure deficiencies in the processes utilized by the City to provide information to the financial markets. The Report also contains recommendations including a proposed ordinance designed to improve the quality of the City's disclosures. The City Council considered and accepted the Report on September 20, 2004, and as a part of that action directed the City Attorney to return with the proposed ordinance for consideration by the City Council.

Gwinn/Girard/Duvernay